Message Text

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S E C R E T STATE 221365 TOSEC 260189

EXDIS

E.O. 11652: GDS

TAGS: PFOR, US, IS, EG

SUBJECT: ACTION MEMORANDUM: ISRAELI HARASSMENT OF AMOCO IN GULF OF SUEZ (S/S NO 7618835 $\,$)

REF: TEL AVIV 6112

FOR SECRETARY FROM ATHERTON

1. PROBLEM:

TOON HAS REPORTED THAT DURING AN INFORMAL DISCUSSION ON SEPTEMBER 6 EVRON OF THE MFA SUGGESTED THAT WE EXPLORE THE POSSIBILITY OF AN ARRANGEMENT BETWEEN THE U.S. AND ISRAEL WHICH WOULD ALLOW AMOCO TO DRILL AT SITE 304.1, BUT IN NO OTHER NEW SITES EAST OF THE MEDIAN LINE PENDING FURTHER DISCUSSIONS OR RESOLUTION OF THE LEGAL ISSUE INVOLVED (REFTEL). TOON, WHO HAS AN APPOINTMENT WITH RABIN AT 5:30 P.M. (LOCAL) ON WEDNESDAY, SEPTEMBER 8,TO CARRY OUT INSTRUCTIONS CONTAINED STATE 220759, WOULD LIKE TO BE IN A POSITION TO REACT SHOULD RABIN OFFICIALLY SURFACE EVRON'S PROPOSAL.

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2. BACKGROUND:

EVRON'S "PERSONAL" PROPOSAL SUGGESTS FOR THE FIRST TIME THAT THE ISRAELIS MAY BE INTERESTED IN FINDING A PRACTICAL SOLUTION TO THE AMOCO PROBLEM. THIS FIRST OFFER OF A

COMPROMISE WOULD RESOLVE THE IMMEDIATE PROBLEM OF ALLOWING AMOCO TO RETURN TO SITE ,04.1 TO COMMENCE DRILLING OPERATIONS BEFORE SEPTEMBER 21, THE DATE AMOCO'S CONCESSION RIGHTS MIGHT OTHERWISE BE WITHDRAWN BY THE EGYPTIANS. EVRON'S FORMULATION, HOWEVER, AVOIDS GETTING TO THE HEART OF THE PROBLEM WHICH IS AMOCO'S RIGHT TO EXPLOIT OTHER CONCESSION AREAS EAST OF THE MEDIAN LINE. AMOCO HAS INFORMED US THAT MOST OF THE SITES THAT THEY ARE INTERESTED IN EXPLOITING LIE EAST OF THAT LINE. THE SIGNIFICANCE OF BEING ABLE TO DRILL IN SITE 304.1 IS TO ESTABLISH THE PRINCIPLE THAT AMOCO CAN DRILL IN CONCESSIONS GRANTED TO IT BY THE EGYPTIAN GOVERNMENT WHICH LIE EAST OF THE MEDIAN LINE.

AMBASSADOR EILTS, WHEN ASKED HIS OPINION OF EVRON'S PROPOSAL IN A TELEPHONE CONVERSATION SEPTEMBER 7, SAID HE HOPED WE WOULD TAKE A POSITION WHICH WOULD SUPPORT ALL OF AMOCO'S CONCESSIONS WHETHER GRANTED BEFORE OR AFTER 1967. (THIS WOULD BE THE OPTIMAL OUTCOME OF ANY FURTHER DISCUSSIONS WITH THE ISRAELIS.)

TOON, ON THE OTHER HAND, HAS SUGGESTED THAT THE EVRON PROPOSAL IS WORTHY OF CONSIDERATION SINCE IT WOULD RESOLVE AMOCO'S IMMEDIATE PROBLEM AND AVOID A U.S.-ISRAELI CONFRONTATION IN THE DAYS AHEAD. TOON FURTHER COMMENTED THAT WE COULD MAKE CLEAR, IN ACCEPTING THE EVRON SUGGESTION THAT THE INTERIM ARRANGEMENT DOES NOT AFFECT OUR LEGAL POSITION ON OIL EXPLORATION IN THE GULF NOR PREJUDGE OUR POSITION IN ANY FUTURE DISCUSSIONS ABOUT THE AREA.

IF EVRON'S PROPOSAL IS SURFACED BY RABIN, WE BELIEVE THAT TOON SHOULD AT THIS TIME GIVE AN INTERIM RESPONSE ALONG THE LINES SET FORTH IN THE FOLLOWING TELEGRAM.

3. BEGIN TEXT OF PROPOSED TELEGRAM: SECRET

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IMMEDIATE TO TEL AVIV/SECRET/EXDIS; INFO: CAIRO.

E.O. 11652: GDS

TAGS: PFOR, US, IS, EG

SUBJECT: ISRAELI HARASSMENT OF AMOCO IN GULF OF SUEZ

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A. ALTHOUGH EVRON'S INFORMAL PROPOSAL WOULD RESOLVE

AMOCO'S PROBLEM OF GETTING BACK TO SITE 304.1 UNDER AMICABLE CIRCUMSTANCES AND RESOLVE AMOCO'S IMMEDIATE CONCERNS, IT COULD CREATE SERIOUS PROBLEMS IN THE FUTURE

BECAUSE AMOCO HOPES TO EXPLOIT ITS OTHER CONCESSIONS IN THE AREA, NEARLY ALL OF WHICH LIE EAST OF MEDIAN LINE. NEVERTHELESS, EVRON'S PROPOSAL IS FIRST INDICATION WE HAVE HAD OF POSSIBLE ISRAELI WILLINGNESS TO COMPROMISE AND TO FIND A PRACTICAL SOLUTION.

B. SHOULD RABIN SURFACE THE PROPOSAL WITH YOU FORMALLY. YOU SHOULD NOT GO BEYOND YOUR TALKING POINTS CONTAINED IN STATE 220759 WITH RESPECT TO OUR OFFICIAL POSITION. NEVERTHELESS, YOU MIGHT INDICATE, AS YOUR PERSONAL OPINION, THAT WASHINGTON WOULD WELCOME AN OPPORTUNITY TO RESOLVE THE GULF PROBLEM ON A PRACTICAL BASIS, AND ISRAELI WILLINGNESS TO APPROACH THE PROBLEM IN THIS MANNER IS MOST CONSTRUCTIVE. THE PROPOSAL TO PERMIT AMOCO TO DRILL SITE 304.1 WOULD, OF COURSE, ONLY RESOLVE THE IMME-DIATE PROBLEM BUT IT WOULD NOT SETTLE THE OUESTION OF AMOCO DRILLING ON ITS OTHER CONCESSIONS MANY OF WHICH ARE EAST OF THE MEDIAN LINE AND MANY OF WHICH WERE GRANTED BEFORE 1;67--AND THUS EVEN UNDER ISRAEL'S OWN CRITERIA ARE LEGITIMATE. NEVERTHELESS, YOU WILL, OF COURSE, CONVEY THE ISRAELI PROPOSAL TO WASHINGTON IMMEDIATELY IN ANTI-CIPATION THAT YOU WOULD RECEIVE A PROMPT RESPONSE. END

4. RECOMMENDATION: THAT YOU APPROVE THE FOREGOING TELEGRAM TO TEL AVIV AND CAIRO.

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5. DRAFTED: NEA:ADUBS
CLEARANCES: NEA - MR. ATHERTON L - MR. LEIGH
S/S APSHANKLE S: MR. COLLUMS

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ROBINSON

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To: SECRETARY AIRCRAFT

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